
SUBSTITUTE HOUSE BILL 2625

State of Washington

60th Legislature

2008 Regular Session

By House Housing (originally sponsored by Representatives Springer, Ericks, Williams, Liias, Ormsby, Sells, Darneille, Simpson, and Appleton)

READ FIRST TIME 01/30/08.

1 AN ACT Relating to tax relief to promote employer-assisted housing;
2 adding new sections to chapter 82.04 RCW; adding a new section to
3 chapter 43.180 RCW; adding new sections to chapter 43.131 RCW; creating
4 a new section; and providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW
7 to read as follows:

8 (1) Household incomes have not kept pace with rising housing costs
9 in many areas of the state and this imbalance creates a potential
10 competitive disadvantage for Washington state employers.

11 (2) Employers have an interest in assisting their employees obtain
12 and retain safe, decent, and affordable housing.

13 (3) It is in the public interest, and is consistent with the state
14 policies and goals of the growth management act, chapter 36.70A RCW, to
15 offer a tax incentive to promote employer-assisted housing that enables
16 employees to obtain appropriate housing close to jobs and services.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
18 to read as follows:

1 (1) Subject to the limitations in this section, a fifty percent
2 credit is allowed against the tax imposed under this chapter for
3 contributions made by a person ("employer") to the Washington state
4 housing finance commission employer-assisted housing program (the
5 "program"), as described in section 3 of this act.

6 (2) The employer must make the contribution to the Washington state
7 housing finance commission employer-assisted housing program before
8 claiming a credit authorized under this section. Credits earned under
9 this section may be claimed against taxes due for the calendar year in
10 which the contribution is made. The amount of credit claimed for a
11 reporting period may not exceed the tax otherwise due under this
12 chapter for that reporting period. No refunds may be granted for any
13 unused credits.

14 (3)(a) Only employers located in local jurisdictions with plans,
15 policies, or programs in place that promote and support affordable
16 housing are eligible to participate in the program and claim the credit
17 created in subsection (1) of this section. The Washington state
18 housing finance commission must certify that the local jurisdiction in
19 which an employer is located has such affordable housing plans,
20 policies, or programs, which could include:

21 (i) Specific affordable housing or homeless housing plans;

22 (ii) Incentive programs intended to encourage or facilitate
23 affordable housing development; or

24 (iii) Programs for the distribution of funds for affordable housing
25 development or preservation.

26 (b) The Washington state housing finance commission shall retain
27 records of such certifications for a minimum of ten years and provide
28 the records to the department upon request.

29 (4) An amount of credit otherwise allowable under this section not
30 claimed by the employer in any calendar year may be carried over and
31 claimed against the employer's tax liability for the next succeeding
32 calendar year; and any credit not used in that second succeeding
33 calendar year may be carried over and claimed against the employer's
34 tax liability for the third succeeding calendar year, but may not be
35 carried over for any calendar year thereafter.

36 (5) Credits are available on a first in-time basis. The department
37 must disallow any credits, or portion thereof, that would cause the
38 total amount of credits claimed statewide under this section during any

1 calendar year to exceed one million dollars. If the one million dollar
2 limitation is reached, the department must notify the commission and
3 all employers having claimed tax credits under this section to date
4 that the annual statewide limit has been met. In addition, the
5 department must provide written notice to any employer that has claimed
6 tax credits after the one million dollar limitation in this subsection
7 has been met. The notice must indicate the amount of tax due and must
8 provide that the tax be paid within thirty days from the date of such
9 notice. The department may not assess penalties and interest as
10 provided in chapter 82.32 RCW on the amount due in the initial notice
11 if the amount due is paid by the due date specified in the notice, or
12 any extension thereof.

13 (6) To claim a credit under this section, an employer must
14 electronically file with the department all returns, forms, and any
15 other information required by the department, in an electronic format
16 as provided or approved by the department. Any return, form, or
17 information required to be filed in an electronic format under this
18 section is not filed until received by the department in an electronic
19 format. As used in this subsection, "returns" has the same meaning as
20 "return" in RCW 82.32.050.

21 (7) The Washington state housing finance commission must provide to
22 the department, upon request, such information needed to verify
23 eligibility for credit under this section, including information
24 regarding contributions received by the commission for the program,
25 certifications as described in subsection (3) of this section, and
26 qualified housing benefits distributed by the commission.

27 (8) Credit may not be claimed under this section for contributions
28 to the program, if such contribution occurred before the effective date
29 of this act.

30 (9) Credit may not be claimed under this section for any
31 contributions to the program that occur on or after July 1, 2015.

32 (10) The department must issue an annual report to the appropriate
33 committees of the legislature on the amount of credits claimed by
34 employers under this section with the first report due December 31,
35 2008. The annual report must be issued in collaboration and
36 conjunction with the commission's report required in section 3 of this
37 act.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.180 RCW
2 to read as follows:

3 (1) There is created within the Washington state housing finance
4 commission (the "commission") the employer-assisted housing program
5 (the "program"), through which the commission will assist Washington
6 employers in providing a qualified housing benefit to qualified
7 employees. An employer making a financial contribution to the
8 employer-assisted housing program may specifically designate that
9 qualified housing benefits be distributed to its own qualified
10 employees, to qualified employees of qualified beneficiary entities, or
11 to a combination of the two options, except as provided in subsection
12 (4) of this section.

13 (2) For the purposes of this section, the following definitions
14 apply:

15 (a) "Qualified employee" means an individual employed by an
16 employer contributing to the employer-assisted housing program or
17 employed by a designated qualified beneficiary entity, who has an
18 income of no more than one hundred twenty percent, or one hundred fifty
19 percent for high cost areas as defined by RCW 84.14.010, of either:

20 (i) The median family income, adjusted for household size, for the
21 county where the employee resides; or

22 (ii) The state median income.

23 (b) "Qualified beneficiary entity" means a nonprofit corporation
24 recognized by the Washington secretary of state, a school district,
25 city, town, county, fire district, public hospital, or state
26 university.

27 (c) "Qualified housing benefit" means specific services or forms of
28 financial assistance, which must be determined by each employer
29 contributing to the employer-assisted housing program in collaboration
30 with the commission, that are designed to assist qualified employees to
31 obtain and retain housing including:

32 (i) Home buyer education and counseling services;

33 (ii) Down payment assistance;

34 (iii) Closing cost assistance; and

35 (iv) Rental assistance, which is limited to one-time assistance.

36 (3) Qualified employees that apply to the commission for qualified
37 housing benefits are entitled to receive such benefits on a first in-

1 time basis. The commission must verify that applicants are qualified
2 and thus eligible to receive benefits and must distribute housing
3 benefits to qualified employees.

4 (4) Moneys contributed by employers must be distributed as
5 qualified housing benefits to qualified employees within thirty-six
6 months. Each participating employer must designate, or by default
7 allow the commission to designate, at least one qualified beneficiary
8 entity whose employees shall receive qualified housing benefits should
9 employer contributions exceed the amount of qualified housing benefits
10 the commission is able to distribute to qualified employees of the
11 employer within a thirty-six-month period.

12 (5) The commission must maintain records of program activities for
13 a minimum of ten years and must report on program activities, outcomes,
14 and performance measures, as determined by the commission in
15 collaboration with the department of revenue and the joint legislative
16 audit and review committee, to the appropriate committees of the
17 legislature by December 31st of each year. Performance measures must
18 include measures to gauge program effectiveness, program efficiency,
19 and customer satisfaction. Other information to be reported upon by
20 the commission shall include:

21 (a) The number of employers and employees participating in the
22 program;

23 (b) The geographic distribution of program participants;

24 (c) The types of housing benefits distributed to employees; and

25 (d) The outcomes of housing benefit assistance received.

26 (6) The joint legislative audit and review committee shall conduct
27 an evaluation of the employer-assisted housing program after thirty-six
28 months using performance measurement data as well as other information
29 supplied by the commission as well as information provided by the
30 employers and employees participating in the program.

31 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.131 RCW
32 to read as follows:

33 The excise tax credit program for contributions to the employer-
34 assisted housing program created in section 3 of this act shall be
35 terminated on July 1, 2015, as provided in section 5 of this act.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.131 RCW
2 to read as follows:

3 The following acts or parts of acts, as now existing or hereafter
4 amended, are each repealed, effective July 1, 2016:

- 5 (1) RCW 82.04.--- and 2008 c . . . s 1 (section 1 of this act);
- 6 (2) RCW 82.04.--- and 2008 c . . . s 2 (section 2 of this act);
- 7 (3) RCW 43.180.--- and 2008 c . . . s 3 (section 3 of this act);
- 8 and
- 9 (4) Section 6 of this act.

10 NEW SECTION. **Sec. 6.** The Washington state housing finance
11 commission and the department of revenue shall provide the information
12 necessary for the joint legislative audit and review committee to
13 provide the required review. The Washington state housing finance
14 commission shall be the designated lead entity in regards to the sunset
15 termination.

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